



# **A Handbook for Strategic Planning**

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# About the TQL Office

The mission of the Total Quality Leadership (TQL) Office, Office of the Under Secretary of the Navy is to assist the Department of the Navy leaders in their quality-focused improvement efforts through education, consultation, information sharing, networking, and technical advice.

The TQL Office provides technical advice as well to a number of organizations inside and outside of government. It has responsibilities in six key areas: TQL education and training; consultant services; new technologies; assessment; networking and liaison; and information and communication.

## Education and Training

The TQL Office is responsible for managing the technical and conceptual content of the Department of the Navy (DON) TQL curriculum. This work involves designing and developing courses as well as training instructors. The staff advises the DON on integration of TQL material into the training pipeline.

## Consultant Services

TQL Office members provide technical advice to the Under Secretary of the Navy and other senior Navy and Marine Corps leaders on the application of TQL principles and methods within the DON and on strategic planning. Advice may also take the form of recommendations on policy as well as on Defense Performance Review initiatives.

## New Technologies

Technology can provide critical support to DON quality improvement efforts. The job of the TQL Office is to assess new technologies related to organizational change and process improvement and translate them into applications for the DON.

## Assessment

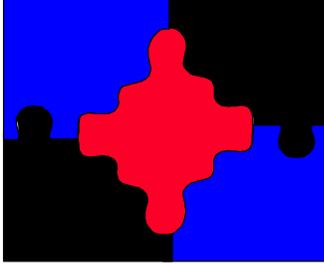
Systems are needed to assess the way in which TQL implementation is enhancing mission accomplishment in DON organizations. The TQL Office is designing and developing feedback mechanisms for that purpose as well as developing innovative approaches to improve overall organizational effectiveness.

## Networking and Liaison

The TQL Office has much to share with other organizations, both government and private, and much to learn from them. Staff members participate in TQL-related networks and professional organizations. As resources permit, the TQL Office sponsors TQL conferences and seminars.

## Information and Communication

The TQL Office educates the DON about TQL policies and initiatives through a newsletter (TQLeader), articles and reports, and presentations at conferences and meetings. It is developing a computer-based quality information network to facilitate communication with DON organizations.



## Foreword

This handbook was written for Department of the Navy (DON) commanding officers, TQL coordinators, and strategic planning facilitators in response to the many questions about the strategic planning process and how it should be conducted within the DON. It is not intended to teach the intricacies of strategic planning, but is merely provided to answer process questions. While we cannot anticipate every question, the handbook details one way to do strategic planning that is consistent with the strategic planning model presented in the DON Senior Leader's Seminar and approved by the DON leadership through its Executive Steering Group. While this is not the only methodology, it is the one we use when working with Navy and Marine Corps organizations.

To be successful, strategic planning requires commitment on the part of three people: the leader (commanding officer) of an organization, the TQL coordinator of that organization, and a strategic planning facilitator. This handbook attempts to delineate the roles and responsibilities of each and suggests a process by which the three, together, can point the organization toward its future. Strategic planning is a continuous consulting process that must be tailored to accommodate the climate of an organization. Our experience has proven that strategic planning benefits both public and private organizations.

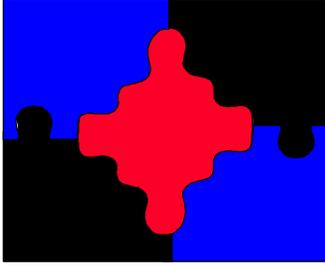
Words of **CAUTION** and **ADVICE** are interspersed throughout the document and are based upon our experience with DON organizations. We hope you find it valuable as you begin your strategic planning efforts.

A Handbook for Strategic Planning is envisioned as the first of a series of handbooks designed to assist members of the quality community in their efforts to implement TQL. The authors extend a special thanks to Mr. Pat Malone, formerly of this office, and Ms. Mary Jones, an organizational development consultant, for their valuable support and encouragement throughout this project.

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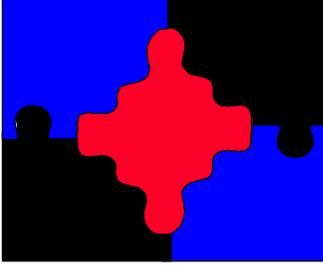


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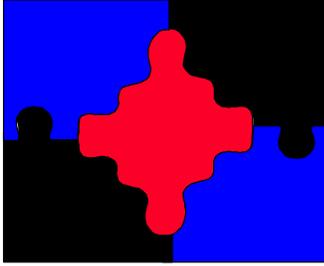
## Benefits of Strategic Planning

“Strategic planning is the process by which the guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future” (Goodstein, Nolan, & Pfeiffer, 1992). It is an iterative process, with no clear beginning or ending point. It can be viewed much like a merry-go-round. What an organization does first depends upon where it “gets on.”

The purpose of strategic planning is to transform the organization. Strategic planning helps leaders to:

- Create their own organization’s future
- Provide a framework and a focus for improvement efforts
- Optimize organizational systems
- Provide guidance for day-to-day decisions
- Provide a learning opportunity for top leaders
- Build a “critical mass”
- Provide a means for assessing progress





## Role of the TQL Coordinator

The DON Senior Leader's Seminar teaches that strategic planning is the responsibility of the top leadership in the organization. It should not be delegated or staffed out to others. However, it is reasonable to expect the senior leaders to ask their TQL coordinators for support.



### ADVICE

The TQL coordinator should not act as the strategic planning facilitator. Strategic planning seems to be most successful when the process is facilitated by someone from outside the organization. However, regardless of whether or not the TQL coordinator acts as the strategic planning facilitator, he or she should know as much about the process as the other players to function in the role of **process consultant**.

The TQL coordinator may be expected to act as both a **process consultant** and a **process facilitator**. As a **process consultant**, the TQL coordinator should be the person who helps the senior leaders answer the following questions:

- Who should be our strategic planning facilitator?
- What will the facilitator do?
- Who should be on the strategic planning team?
- Should we invite some of our customers to be on the team?
- Where will we do this?
- How long will this process take?
- What can the organization expect to get out of this investment of time and effort?

(Answers to these questions follow in the “Getting Started” section.)

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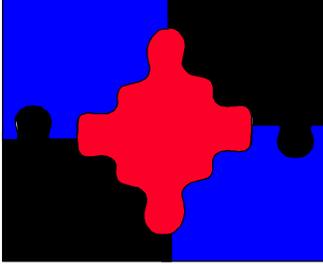
The TQL coordinator may also be the person responsible for logistics, including:

- Identifying a strategic planning facilitator
- Arranging for a meeting place
- Preparing and distributing read-ahead materials, agenda, etc., to the strategic planning team
- Gathering the supplies, equipment, tools, etc., needed at the meeting
- Arranging for a recorder and other support personnel



## ADVICE

The TQL coordinator should limit the number of support staff in the planning session. There are a couple of reasons for this advice. First, team members may not express their ideas openly if there are a number of staff in the room. Second, there is sometimes a temptation to hand off the actual writing of the vision, mission, and guiding principles to staffers who may be present. Strategic planning works best when the team members do their own writing.



## Getting Started

What the senior leader does next depends upon whether the organization is just beginning the strategic planning process or is updating an existing plan. Below is a checklist of things to do.

### Consultation

- Leader and facilitator meet and negotiate:
  - Expectations
  - Agenda
  - Ground rules
  - Strategic planning methodology
- Leader selects planning team
- Facilitator conducts interviews
- Facilitator compiles interview data
- Facilitator prepares executive summary
- Facilitator briefs leader

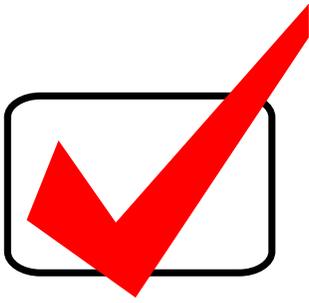
### Logistics

- Set dates
- Select place
- Arrange for supplies and equipment
- Set up interviews
- Prepare read-ahead material
- Distribute read-ahead and interview package



### CAUTION

Once the leader has decided to do strategic planning, too often wheels are set into motion without a clear understanding of how much “up front” work needs to be done.



## Checklist of Supplies and Equipment

### Supplies

- Easels-at least 2
- Flip chart paper
- Marking pens
- Transparencies
- Transparency marking pens
- Dictionary
- Thesaurus
- The Power of Vision video by Joel Barker
- Paper, pens, pencils
- Post-it™ notes
- Name tents

### Equipment

- Computer
- Word processing software
- Printer and paper
- Disks
- Overhead projector
- Screen
- VCR with monitor
- Copy machine and paper
- Fax machine

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The following questions should be considered by the senior leader and the TQL coordinator before further decision making.

### “Who will be our strategic planning facilitator?”

This may be the most important decision of the preplanning process. It is often possible to “borrow” someone at no cost, from outside the command but inside the government, to be the facilitator.



#### CAUTION

Facilitating strategic planning is not the same as facilitating a Quality Management Board (QMB) or a Process Action Team (PAT) even though many of the skills are transferable. If possible, the TQL coordinator should select a facilitator who has strategic planning experience and who is comfortable working with senior leaders. The facilitator should be brought into the preplanning activities as soon as possible.

### “What will the facilitator do?”

Once the facilitator is selected, the senior leader and the facilitator should meet for the purpose of “negotiating a contract.” During this meeting, which should take about an hour, the leader and the facilitator discuss such elements of strategic planning as the methodology they will use, who the planning team members will be, what they expect to accomplish, what the agenda will include, and what the ground rules will be. It is helpful, though not necessary, to write down these decisions, but it is important that they agree on a strategy.

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## “Who should be on the strategic planning team?”

It depends. If an Executive Steering Committee (ESC) already exists, it may serve as well as the strategic planning team.



### CAUTION

If there is no ESC, the people selected to participate in strategic planning will probably want to continue some sort of ongoing effort. They may self-select as the ESC.



### ADVICE

The decision about who is asked to participate should be thoughtfully considered. It probably should not be “all the department heads” or “all the colonels,” for example.

The team should number between **five** and **nine** members. For a complete discussion of this question, refer to the section entitled “Selecting the Leadership Team: Advice to ‘the Boss.’”

## “Should we invite some of our customers to be on the team?”

Maybe not. For the first cycle of planning, the team is learning to function as a team. The members may not, as yet, have reached consensus among themselves about what to do and what their strategies should be. Besides, if there is no ESC and the strategic planning team evolves into the ESC, there is the real question of whether the team would want its customer(s) to continue to meet with it in that capacity.

Maybe so. On the other hand, if the planning team has already been meeting together and is ready to act on customer feedback, customer participation can be mutually beneficial.

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## “Where will we do this?”

The site is not as important as the fact that it should be away from the regular work site. This allows participants to concentrate on the strategic planning effort with a minimum of interruptions. In making the arrangements, the TQL coordinator will want to consider a meeting room—break-out rooms if the group is large—and rooms where the team can work into the evenings and have their meals (together, separate, special diets) and social gatherings. The TQL coordinator should also consider the availability of exercise rooms and the need for transportation to and from the site.

## “How long will this process take?”

It depends upon what the team expects to accomplish. A team that is committed can normally draft a vision, a mission statement, guiding principles, goals, and outline some strategies and objectives in a 3-day off-site.



### TOOL

A sample agenda follows. The times are approximate and are provided to give the team an idea of what can be done in a 3-day off-site.

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## Proposed Agenda

### Strategic Planning (Name of Organization)

#### Day 1

0800	Opening remarks	Leader
0830	Introduction of participants	TQL coordinator
	Administrative remarks	TQL coordinator
0845	Strategic planning overview	Facilitator
0930	Break	
0945	Ground rules	Facilitator
0950	Planning assumptions	Facilitator
1050		
	The Power of Vision videotape	
1120	Vision exercise	Facilitator
1200	Lunch	
1300	Recap/refocus	Facilitator
1315	Guiding principles exercise	Facilitator
1415	Break	
1430	Customer identification	Facilitator
1500	Mission exercise	Facilitator
1700	Summary	Facilitator

#### Day 2

0800	Opening remarks	Leader
0815	Recap/refocus	Facilitator
0830	Small groups meet to draft vision, guiding principles, and mission	
1000	Break	
1015	Small groups brief first drafts	
1200	Lunch	
1300	Recap/refocus	Facilitator
1315	Small groups meet to finalize vision, guiding principles, and mission	
1430	Small groups brief final drafts	
1700	Summary	Facilitator

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## Day 3

0800	Opening remarks	Leader
0815	Recap/refocus	Facilitator
0830	Gap analysis	Facilitator
1000	Break	
1015	Identify strategic goals	
1200	Lunch	
1300	Identify strategies and objectives	
1500	Next steps	Facilitator
1700	Closing remarks	Leader



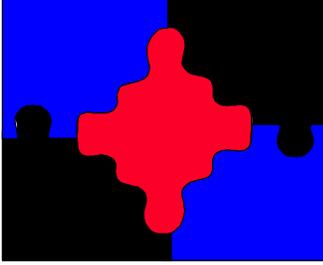
### ADVICE

This is hard work. Every leader thinks his or her team can accomplish more than this in a 3-day off-site. The TQL coordinator, working with the facilitator, should try to prevent the team from setting unreasonable expectations for itself. But . . . the team must develop goals during the workshop. Without goals, there is no implication for action in the organization.

“What can the organization expect to get out of this investment of time and effort?”

The purpose of strategic planning is to transform the organization. The team can expect products (outputs)—a plan which features a vision, mission, guiding principles, goals, strategies, and objectives. But the team will also get by-products (outcomes)—teambuilding among the top leaders of the organization, organizational alignment, consensus of the leadership, and a focus for the future.





## Preparing for the Off-Site: Role of the Facilitator

The strategic planning off-site will be more productive if everyone participating has an idea of what to expect. So far, only the leader, the TQL coordinator, and the facilitator have assessed the situation and reached agreement.

### “What about the rest of the strategic planning team?”

One way to get them to think about the planning session and the future of the organization is for the facilitator to interview each of them prior to the off-site. The interviews help the leader, the TQL coordinator, and the facilitator to understand the current environment in the organization.

### “Who conducts the interviews?”

The facilitator . . . in private. At the time of the interview, the facilitator should explain to the participant that the answers to the questions will be shared with the group, but that the sources of the answers will remain anonymous.

### “What questions should the facilitator ask the strategic planning team members?”

1. What is the main function or mission of (your organization)?
2. Who are the important customers that you serve?
3. What are the key products and/or services that (your organization) delivers to these customers?
4. Describe (your organization) of the future. Do you see any change of focus? Emerging missions?

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5. What are the operating values and/or guiding principles that should guide behavior in (your organization) to attain this vision? What current behavior(s) need to be modified?
  6. How must the (your organization) change and evolve in order to realize your vision of the future? (What are the fears or barriers?)
  7. Which major processes or systems should be targets for improvement to help you better serve your customers?
  8. How are reorganization and resource reductions going to affect your organization? What needs to be done to ensure that core missions continue to be done well?
  9. If you could change just one thing to improve (your organization), what one thing would you change?
  10. What are the things you would make obsolete?
  11. What are your expectations about the strategic planning session? What concerns do you have?
  12. What question should I have asked you that I didn't?



## ADVICE

The questions above are not to be considered all inclusive. These should be reviewed by the facilitator and tailored to fit the organization.

## “How does the facilitator conduct the interviews?”

The facilitator should schedule one-hour interviews with each strategic planning participant. Some interviews may conclude in 30 minutes; others may take 90 minutes. It is best for the facilitator to start with the leader, because once that person has made the commitment, the other team members will do the same.

Some planning team members may ask to have the questions provided prior to the interview.



## CAUTION

While providing the questions prior to the interview sounds like a good idea, the facilitator should be aware that some of the participants will staff them out to be answered and then read the answers during the interview.



## ADVICE

It seems to work best when the participants hear the questions “cold.” The facilitator should give them time to think, and repeat the question if necessary.

## “What is done with the information collected?”

Two things. First, the facilitator should prepare a document that simply “dumps” the data, listing questions and all the answers to them from all the participants, without attribution. This allows everyone to see how his or her answers compare with those of the rest of the group. Participants will be able to get their issues “on the table” and to see where there is consensus or diversity among themselves.

Second, the facilitator prepares an executive summary from the interview data. Normally, this is a strawman vision, guiding principles, mission, and a set of planning assumptions. Each of these terms is discussed and defined in the pages ahead.



## CAUTION

In preparing the executive summary, it is extremely important that the facilitator not write the vision, guiding principles, or mission for the team, nor should the facilitator make any value judgments about what data are included and what are excluded. The strawman is merely a set of bullets that reflect the issues, positive and negative, as verbalized by the team members. The final version will be hammered out and consensus reached at the strategic planning off-site.

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## “How are the interview data and executive summary shared with the team?”

The interview process itself provides the strategic planning team members with a sense of what topics will be covered during the off-site.

The facilitator should provide the interview data and executive summary to the leader so that he or she has an opportunity to review the information and see what the issues are in advance. Copies of this package should be provided to the TQL coordinator for distribution prior to the off-site.



### CAUTION

Because the packages can sometimes contain sensitive information, they should not be distributed until a day or two before the off-site. Sometime during the off-site the team members should discuss and agree on whether or not they wish to share the data packages with anyone else when they return “home.”



### ADVICE

The source of all data must be kept confidential. The facilitator should not share the source with either the TQL coordinator or the leader.

## “Are there other ways to assess the organization?”

Yes. There are many, and the organization should use the ones that best suit its needs. However, these instruments should be used to supplement, not replace, the interview process because the interview process provides organizational input for the strategic planning process. For example, the Defense Productivity Program Office, through a contract with General Research Corporation, has developed a Quality and Productivity Self-Assessment Guide for Defense Organizations (1990). This guide assesses climate, processes, tools, and outcomes. It was developed and tested for DOD organizations with quality and productivity improvement as its main focus.

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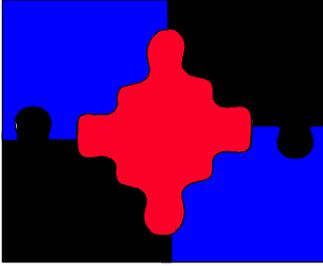
The DON has two evaluation instruments: The Total Quality Implementation Survey (TQIS) and the Total Quality Leadership Climate Survey (TQLCS), both designed to assist commands in implementing TQL. These surveys provide insight into the organization's internal environment, including communication, cooperation, trust, commitment, teamwork, and innovation.



## ADVICE

The facilitator should always ask the leader if any of these instruments or others have been administered. If so, and if the leader is willing to share the results, having access to the data can help the facilitator understand the environment of the organization.





## Selecting the Leadership Team: Advice to “the Boss”

“The boss” has just told you to pull together some of the key people in the organization to do strategic planning. In fact, “the boss” wants you to take care of everything. What do you do now?

Besides the obvious administrative and logistic details that need to be taken care of, one of the first things that must be done is the selection of the strategic planning team. There is no right or wrong way to make the selection, but as a consultant to “the boss,” you should encourage him or her to consider the many alternatives.

### Size

What size should the strategic planning team be? Some COs think they have to include all their department heads even when they number over 30 people. It is true that a large team maximizes organizational input, but it is also much more difficult to reach consensus on the issues. Groups this large limit participation by the individual members and, therefore, encourage offline discussion of the issues. They almost always require that subgroups be formed to “work” the issues.

Smaller teams reach consensus much more easily because the whole team can work the issues together. The disadvantages are that they limit the amount of input and tend to be perceived by others as elitist. With proper deployment, however, these perceptions can be overcome.

### Community

Should both military and civilian communities be represented? Perhaps the military members should come from both the active and reserve forces. Are women and minorities adequately represented?

Not everyone should be included, but everyone should be considered. Ultimately, selection should be based on what the individual can contribute to the strategic planning effort.

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## Position in the Hierarchy

A person's place in the hierarchy of the organization is also important. Occasionally, and for a variety of reasons, a CO is tempted to include one or more junior people. It is well to remember that juniors often acquiesce to the real or perceived wishes of their seniors. Having junior members on the team tends to encourage senior members to delegate the work to them, thus diluting leadership responsibility.

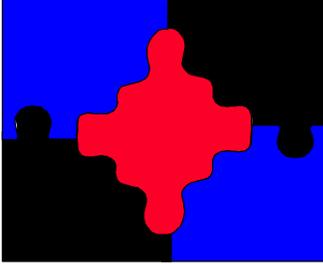
## Knowledge Level

Members should be selected for the knowledge they bring to the team, particularly organizational knowledge. They should understand the organization's mission and functions as well as the value of system optimization. A thorough grounding in TQL is preferred, but not necessary, although it certainly helps to understand the philosophy.

## Abilities

Consideration should also be given to an individual's abilities. Is the person capable of innovative thinking? What are his or her communication skills, both written and verbal? Is this person flexible? Will this person listen to the ideas of others and consider various options? Is he or she willing to learn?

Selecting the members for the strategic planning team may be the single most important step in the strategic planning effort. The quality of everything that follows hinges on this decision, which ultimately belongs to "the boss."



## The Strategic Planning Session

Now that the preplanning and assessment activities are complete, the team is ready to begin to develop the initial strategic plan. This section explains the plan's essential elements and how they can be developed. It also provides some **ADVICE**, **CAUTIONS**, and **TOOLS** for the conduct of a strategic planning off-site.

Conducting the off-site is a challenge for the leader, the TQL coordinator, and the facilitator. The leader has committed the organization to an expensive investment of time and money and may be anxious about the outputs and the outcomes, especially if this is the leader's first experience with strategic planning or first association with the facilitator. The facilitator can help the leader (and the team) be more comfortable with the process by explaining the process as they work through it and by checking with the leader, off line, to ensure that things are going well.



### ADVICE

Since the facilitator is “on stage,” it is critical that the TQL coordinator be responsible for all administrative and logistics activities. It is too difficult to facilitate the process and be called away, for example, to deal with hotel staff about the arrangements for lunch or the temperature in the room.

During the next 3 days, the facilitator will probably want to alternate between some mini-educational sessions and the actual facilitated exercises used to develop the strategic planning products. How much education the team needs will be determined by the facilitator, based on the information derived from the interview process.

The previous section presented a proposed agenda. While the times are approximate, the activities listed provide a guide of what needs to be accomplished and in what general order.

So, let's get started . . .

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## Opening Remarks

The leader should open the session, welcome the participants, and introduce anyone who is new to the group. The leader should express personal commitment to the process, thank the members for their participation in the interviews, and provide the team with an idea of what is expected of the off-site.

Sometimes, a leader has an item of business which is non-negotiable. That is, it is not open for discussion . . . perhaps because it has been discussed at length and decided at some previous point in time, or perhaps because the leader has been given orders from someone higher in the chain or command. If this is the case, non-negotiables should be laid on the table. It is unfair to allow the team to debate an issue for several hours or days and then tell them it's too late to do anything about it.

## Administrative Remarks

The TQL coordinator should provide information about hotel accommodations, telephone messages, meals, schedules, etc., and should introduce the recorder, explaining that the recorder's purpose is to produce drafts of the outputs, not to record the deliberations and conversations of the team.

## Strategic Planning Overview

This time is set aside for the first mini-educational session. The facilitator should discuss with the team the definition of and the purpose for strategic planning and perhaps compare strategic planning with other types of planning.

### Strategic Planning

Top-down  
Creates future  
5- to 20-year horizon  
Guides management behavior  
External customer focus  
Effectiveness  
Emphasizes the process  
Proactive

### Other Planning

Bottom-up/Staff-generated  
Extends present  
1- to 5-year horizon  
Little or no guidance for management behavior  
Internal customer focus  
Efficiency  
Emphasizes the plan  
Reactive

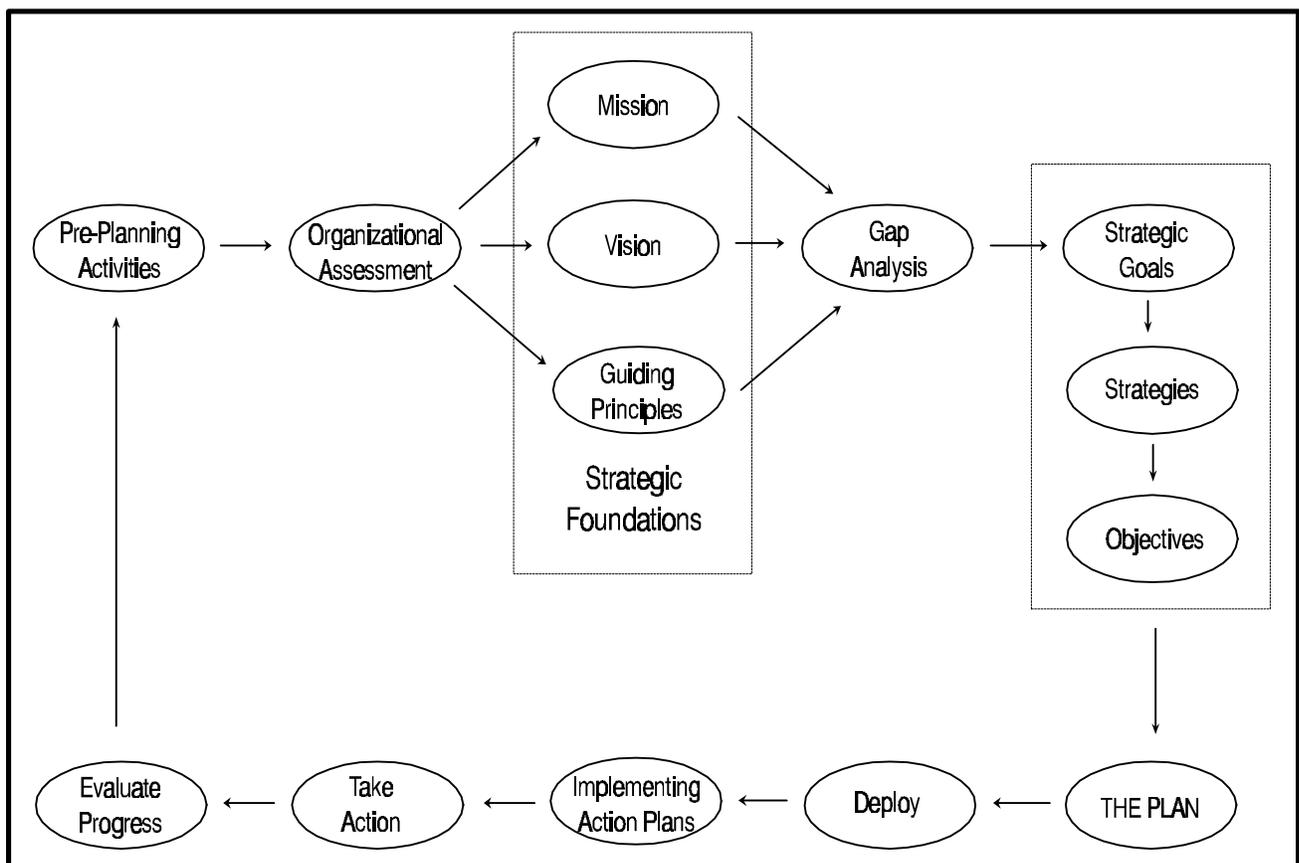


## ADVICE

The facilitator should emphasize that other planning is not “bad”; it has its place, but it is not strategic.

The facilitator may want to review the outcomes and benefits that result from strategic planning. Strategic planning is driven by the future and through it the leaders try to bring that future about. The plan talks about what will be different in the organization. Transformation takes time, which is why a strategic plan has a 5- to 20-year horizon.

The facilitator may also explain the strategic planning model and the fact that the team will be working on the strategic framework.



Strategic Planning Model

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He or she should define the **vision**, **mission**, **guiding principles**, and **planning assumptions** in their simplest terms. They can be discussed in more detail as each is developed.

### Vision

An idealized view of where or what an organization would like to be in the future.

### Mission

An enduring statement of purpose. Describes what the organization does, who it does it for, and how it does it.

### Guiding Principles

The values and philosophy of an organization that guide the behavior of its members.

### Planning Assumptions

A belief based upon past experience and knowledge about how current and future events, both internal and external to the organization, are likely to affect the achievement of desired results.

Depending on what the facilitator gleaned from the interview data, he or she may want to discuss other aspects of the strategic planning process or to provide other definitions. The facilitator will, of course, need to remain sensitive to the needs of the team, to have question-and-answer sessions, and to take breaks as needed.

## Ground Rules

So far the team has been in the listening mode. Unless the team already has a set of ground rules, the facilitator should probably propose and obtain agreement on a set of ground rules before going to work.



### TOOL

A set of ground rules is provided below. They can be presented to the group on a overhead transparency, but it is also helpful to have them displayed on flip chart paper and hung on the wall for all to see. The facilitator may ask for discussion of, addition to, and consensus on the ground rules.

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## Ground Rules

**H**ere and now—no “sea (war) stories”  
**E**xplore the possibilities—suspend disbelief  
**R**espect and responsibility for the group  
**O**penness—spirit of inquiry  
**E**nergy  
**S**trategic thinking and listening

**P**articipation without side conversations  
**A**ttack challenges, not each other  
**C**onfidentiality  
**T**imeliness



### CAUTION

Some groups want to develop their own ground rules and can spend hours (or even days) writing them. Since this is not the purpose of the off-site, it is best to have some ground rules prepared in advance.

## The Decision-Making Process

There are many ways to arrive at decisions. Because we work in a military organization, some participants will expect “the boss” to tell them what to do. Those who think strategic planning should be different, more progressive, expect the issues and priorities to be decided by voting, with the majority ruling. Another way to make group decisions is through [consensus](#).

### “What is consensus?”

It means that everyone on the team may not be in 100 percent agreement, but they can live with the decision of the group. The fact that “the boss” has agreed to the strategic planning process with the other leaders of the organization is an indication that the boss is willing to share decision-

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making authority with the others. “The boss” wants ideas and opinions from the rest of the group about how to shape the organization of the future. It is often the participants, rather than the leader, who are uncomfortable with this notion.

### “Which decision-making method works best?”

Each method has its advantages and disadvantages. Voting is a “cleaner” process. It allows the team to move forward much more quickly, but it sets up a perception of winners and losers. Consensus is “messier.” Issues must be discussed, analyzed, and discussed again, until the group finds a solution that everyone can live with. While it takes more time, it allows the whole team to buy into the decision.



#### ADVICE

The facilitator should explain to the team which process will be used and use it consistently. The facilitator should not try to reach consensus on one issue and vote on another.



#### CAUTION

Some teams fail to make progress because they allow a member to exercise veto power.

Even unanimity does not ensure that a decision is a good one. Alfred P. Sloan, former chairman of General Motors, is quoted as saying, “Gentlemen, I take it we are all in complete agreement on the decision here . . . Then I propose we postpone further discussion of this matter until our next meeting to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about” (Janis, 1972).

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## Planning Assumptions

By now the group is probably ready to go to work. The facilitator should review the definition of planning assumptions.

If the facilitator has prepared an executive summary, he or she should ask the team to refer to the section on planning assumptions and explain that these are not the facilitator's planning assumptions; they are the team's planning assumptions, taken directly from the interview data. In fact, the participants should recognize their own words. The facilitator may want to give team members an opportunity to brainstorm additions, changes, or modifications to the planning assumptions they have developed. As in any exercise of this type, these should be captured on flip chart paper.

If the facilitator is not working from an executive summary, he or she may want to lead the group in a brainstorming session to identify the planning assumptions. One of the benefits of identifying planning assumptions is that it allows team members to get what's bothering them off their chest and onto the table. It is a warmup exercise that establishes a baseline for the planning team.

## Vision

“But shouldn't we develop the mission first?”

It depends. From the preplanning and assessment activities, the facilitator should be able to determine whether or not the organization has a fairly clear sense of its mission.



### ADVICE

If it does, it is best to develop the vision first, to stretch the thinking of the team. However, if the organization is a fairly new one or if it has been recently reorganized, the facilitator may want to start with the mission statement. If the organization doesn't have a clear sense of its mission, it will be very difficult to develop the vision first.

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The Power of Vision video by Joel Barker can be used to challenge and stretch the thinking of the team.

If the facilitator is working from an executive summary, he or she can start by reviewing the strawman vision, challenging the team through brainstorming to examine their vision in light of what they have just learned from the video and record their ideas. A vision statement should ultimately convey that it is leader-initiated, shared and supported, comprehensive and detailed, and is both positive and inspiring.

What the facilitator does next is a function of team size. If the planning team is small (5 to 9 people), the members can work as a group to put together a first draft of their vision. If the team is large, it should probably be divided into smaller working groups (20 people = 2 teams, 30 people = 3 teams).



### CAUTION

If a large group is divided into smaller teams, it is best to assign each of them a different task; otherwise, they will tend to compete with each other, which is not conducive to teambuilding.



### ADVICE

Since the facilitator has only one task to assign at this time—draft the vision—he or she will want to set aside the input from the brainstorming exercise and move into developing the input for the guiding principles.

“Shouldn’t we do the mission next?”

Probably not. The team is on a “roll.” It has been thinking creatively about its future. It will be easy for them to come back later to the reality of their current mission.

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## Guiding Principles

The facilitator should review the definition of guiding principles.

Guiding principles reflect the values of the organization. They are a set of statements about how people in the organization relate to each other and to their external customers and suppliers. All organizations develop values and beliefs that guide their behavior. In many cases, they are not explicit, but they do exist. Behaviors that are consistent with these values and beliefs are usually rewarded and perpetuated. They are part of the organization's culture.

As with the visioning exercise, the facilitator will probably want to brainstorm the inputs for the guiding principles, adding, changing, and modifying those provided in the executive summary.

The planning team needs to spend some time discussing the **implications** of the new guiding principles on day-to-day behavior. They need to understand these implications and must be willing to **commit** to them before they are deployed. If the leaders espouse a certain philosophy but do not practice that philosophy, they will lose credibility with the workforce.

## Mission

Before starting to work on the mission, the facilitator should lead a mini-educational session on systems thinking to help the group focus on issues facing the organization. The discussion might include the following:

“Why are we doing strategic planning?”

“The purpose of strategic planning is to improve the quality of today's decisions in light of future developments” (Hershey, 1992). We also want to optimize the organization and its systems.

“How do you define a system?”

“A collection of parts that interact with each other to function as a whole” (Kauffman, 1980).

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“. . . a network of independent components that work together to try to accomplish the aim of the system [organization]”  
(Deming, 1993).

Strategic planning considers the entire organization as a system.

Top leadership is responsible for improving the performance of the whole organization, not just part of it. Integrating TQL with strategic planning provides a strategic framework for optimizing system performance.

“How can I do strategic planning when someone above me in the chain of command isn’t doing it?”

In theory, you should have strategic planning guidance from your superior. In reality, you may not get that guidance for a variety of reasons.



#### ADVICE

The facilitator can say, “If you don’t have that guidance, put a stake in the ground. You can still influence the quality of your daily decisions by having your organization focused and aligned.”

“Why is systems thinking important to strategic planning?”

The facilitator can say, “As you begin to think about your vision and mission and develop your strategic goals, you should be working on those systems within your organization that will have the most impact on taking you where you want to go.”

Many organizations already have a mission statement dictated by Executive Order, law, instruction, or some other formal document.

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“We already have a mission statement dictated by Executive Order, law, instruction, or some other formal document. Why do we need another one?”

Maybe you don't. But if you don't look at it, how will you know? Existing mission statements are often outdated or changed by reorganization, but because it is “too hard” to change the formal document, they are kept in a drawer.

There is at least one recent notable success. After comparing the “real” mission of naval shipyards with the “documented” mission, the DON Shipyard Advisory Board was able to convince the Secretary of the Navy that the “documented” mission had to be rewritten.

The exercise to develop a mission might follow the same format used to develop a vision and guiding principles. When the facilitator interviewed the team members prior to coming to the off-site, he or she asked them to identify their customers, both internal and external, and to identify the products and services they provide to those customers. In effect, these responses answer the questions “What do you do?” and “Who do you do it for?”

Now, the facilitator might want to lead a brainstorming session to identify additional customers and additional products and services. When the list is complete, the group is ready to start drafting its vision, mission, and guiding principles.

Divide the group into three subteams. One subteam can now draft the vision statement, while the second drafts the mission, and the third drafts the guiding principles.



### ADVICE

They should be told to use the input of the whole group, to consider all the thoughts and ideas. If the recorder has been capturing this data on the computer, he or she can prepare a printout for the teams to work with. The teams should be given sufficient time to draft their statements and prepare overhead transparencies. Usually, the recorder can

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type and prepare transparencies for the teams. Sometimes, the team simply writes their statements on blank transparencies. In either event, the subteams are tasked to brief the whole team at the end of the allotted time.

If the facilitator divides the team into subteams, the leader should probably not be assigned to any of them. Instead, the leader should “float” among the subteams, making sure they are on track and providing advice as necessary.

The TQL coordinator and other support person(s) may serve as facilitator(s) for the subteams. This gives the primary facilitator a break, and allows him or her to consult with the leader on the progress of the group while the subteams are working on their assigned tasks.

When the drafts of the vision, guiding principles, and mission are complete, each subteam briefs the others, getting comments and additional input, and reaching consensus that the draft reflects the wishes and ideas of the whole team.



## ADVICE

The facilitator should probably call these statements “final drafts.” This allows the planning team the latitude of clarifying and defining their statements as they move through the remainder of the process.

Some innovative ideas are generated during off-line breaks, lunch, and dinner. The facilitator should help the team members recapture these ideas after such breaks, giving them a chance to share their insights.

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## Gap Analysis

Once a final draft of the vision, mission, and guiding principles is available, the team is ready to begin development of strategic goals. This is what everybody has been waiting for, the chance to get some attention focused on **their particular problem**.

The recorder should provide each team member with a copy of the final draft of the vision, mission, and guiding principles. The facilitator should ask the members to look at the current state (where they are now) and the future state (where they want to be). **The current state is defined by the organizational assessment, the drafted mission statement, and the knowledge of the organization that the planning team members bring to the planning process. The future state is defined by the drafted vision and guiding principles. The difference between the two is the gap.**

## Strategic Goals, Strategies, and Objectives

**Strategic goals** define the changes required to move the organization toward its vision. They are long-range performance targets that are consistent with an organization's mission, usually requiring a substantial commitment of resources and achievement of short-term and mid-term supporting plans. Achievement of strategic goals moves an organization closer to realizing its vision. A **strategy** explains how the goal will be achieved, and an **objective** describes who will do what by when.

The team should identify no more than five or six strategic goals for the entire organization. This is very difficult to do, because there is a tendency to want to lay all the problems out on the table.



### ADVICE

The facilitator should lead the group in a brainstorming session. He or she asks the question, "What is the change needed to move this organization from its current state toward its future?" The answers to that question should be captured on flip chart paper and compiled as the input for the strategic goals. In reality, the facilitator will be capturing strategies and objectives as well, but it is best to capture all the ideas first and sort them out later. One way is to let each member write his or her ideas on Post-it™ notes and then do an affinity diagram. This sorting automatically leads to the identification of some strategies and objectives.



## CAUTION

There is a tendency to think of strategies (how you will accomplish the goal) and objectives (who does what by when) as less important than goals, and some team members will protest having their goals turned into strategies or objectives. The facilitator should stress that they are not less important. The strategies and objectives may be more narrowly focused than goals, but the fact is, when it comes to accomplishment, the objectives are accomplished first, then the strategies, and finally the goals.

Sometimes a team fears identifying a goal that they don't know how to accomplish.



## ADVICE

The facilitator should stress that strategic planning by its very nature does not have all the answers. One of the team's strategies may be to sponsor research in an area of interest. In fact, if the team already has all the answers, it probably is not doing strategic planning.

Once the team agrees upon the strategic goals, they need to compare them with the guiding principles to make sure that they can accomplish the goals (**what** needs to be done) through the behaviors espoused (**how** people will act). After they have validated that these two are consistent, they can begin to identify (additional) strategies and objectives to accomplish the goals.



## CAUTION

As objectives and strategies are outlined, the team should not fall into the trap of thinking that there is a 1:1 or a linear relationship between them all. Sometimes the accomplishment of an objective may lead to the accomplishment of more than one strategy and the accomplishment of one strategy may affect two goals. Sometimes, accomplishment can have a positive effect on one goal and a negative effect on another.



## ADVICE

As the facilitator works through the priorities and relationships, he/she may want to consider the seven management and planning tools detailed in *The Memory Jogger Plus+* by Michael Brassard. However, the team will almost certainly not reach this level of detail in its first strategic planning off-site.

## Next Steps

There is at least one other activity that should occur at the strategic planning off-site. The facilitator should lead the team in a discussion of:

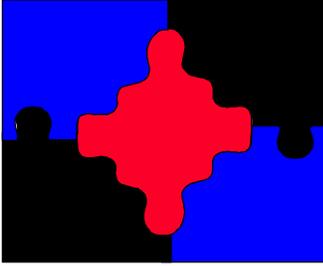
- What will we do next?
- How do we treat the interview data and the executive summary?
- How do we treat the products from this session? Do we share them or keep a close hold?
- Should we form an ESC (if we don't already have one)?
- Should we assign goal groups (or QMBs) to continue to work on the goals?
- Should we meet again? When?
- Do we have the right people?

The facilitator may also want to do an evaluation of the strategic planning process. Were expectations met?

Lastly, the leader should make appropriate closing remarks.

- The team may expect to be interviewed again. After all, interviews are part





## Updating the Strategic Plan

This advice pertains to those organizations that have completed one strategic planning cycle and are now ready to evaluate their progress and reassess their plans. By definition, they have a vision, mission, and guiding principles. For some period of time, they have been working to accomplish their goals, strategies and objectives. They have a plan that tells them who was to accomplish what by when.

“How do the team and the facilitator know when to start the cycle over?”

When the planning assumptions change.

“How will the team and the facilitator know when the planning assumptions change?”

The original plan was formulated under a set of assumptions: a certain leadership style, a particular organizational infrastructure, budgetary affluence or constraints, an organizational culture, fears, barriers, political considerations, economic factors, technological breakthroughs, resource constraints, etc. When the assumption(s) change, the plan must be revised. This is one reason why strategic planning is an iterative process.

“Are there other reasons for the strategic plan to change?”

Yes. As goals, strategies, and objectives are accomplished, the organization must continuously set new ones if it is to grow and remain dynamic. Without these updates, the organization will become stagnant.

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## “Will the process be the same or different the second time around?”

Both. When the facilitator went through the original strategic planning session, the team was learning what strategic planning was and the members were probably getting to know each other, or at least getting to know each other better. Now, the team has been working together for some period of time. The vision, mission, guiding principles, goals, strategies, and objectives are in place. The planning team is ready to enter the second cycle from a position of knowledge and experience.

Many of the things the TQL coordinator needs to do to prepare are the same, e.g., all of the logistical considerations. However, for the facilitator and the planning team, the assessment process may become more sophisticated the second or third time around.

## “Should the facilitator do the interviews again?”

The facilitator may want to do the interviews again for several reasons.

- The facilitator can compare the data with the first set of interviews and assess the general growth of the organization.



### CAUTION

If the team members have changed or if the questions have changed, there will not be a direct correlation between the original data and the follow-up data. The facilitator may still be able to gauge the change in the organizational climate, however. After all, the reason for doing strategic planning is to transform the organization.

- The interview questions will allow the facilitator to validate the team’s current vision, mission, and guiding principles. They may also give the facilitator an indication of which ones are still valid and which are not, given the changed planning assumptions.

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of the process as the team members know it, and anonymity allows the participants an opportunity to get their frustrations out and lay any new issues on the table for consideration.

## “What is different about the strategic planning process?”

The organization is different . . . or should be. The strategic planning team has a common understanding of what strategic planning is and what it can do to help focus and align the efforts of the entire organization. The organization is ready to stretch.

## “What is a SWOT analysis?”

The facilitator may choose to do a SWOT analysis, an analysis of **Strengths, Weaknesses, Opportunities, and Threats**. Usually, strengths and weaknesses are discovered by looking internally, while opportunities and threats are defined as external drivers.

## “How is a SWOT analysis done?”

Since strengths and weaknesses come from within the organization, the strategic planning team members will be able to identify them in the interview process or perhaps in a brainstorming session set up for that purpose. The facilitator may choose to ask the members to identify strengths and weaknesses directly, or may choose to simply pull them from the interview data and list them as planning assumptions in the executive summary.

Opportunities and threats are harder to identify. Ideally, the leader should ask few subject matter experts to address the strategic planning team on relevant subjects **prior to** the off-site. A relevant subject is one pertaining to the organization’s strategic goals. The reason this is not done during the initial planning session is because the planning team has not yet identified what is important, i.e., their strategic goals.

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## “What is meant by opportunities and threats?”

Theoretically, anything outside the organization that impacts its future, such as actions by Congress. But, unless they are limited to the vital few, the group may never get past the analysis stage. The vital few opportunities and threats are those that directly relate to the business the organization is in—those that, if changed today, would alter the way it does business, i.e., create a paradigm shift.

## “Why is a SWOT analysis important?”

Once the team reaches consensus on its strengths, weaknesses, opportunities, and threats, they will want to develop new goals that will allow the organization to maximize its position relative to each.

## “Should customers be invited to participate this time?”

The quality of the organization’s products and services is defined by its customers. It is essential, therefore, that it develop systems of communication that allow it to stay in constant touch with its customers (not just when it is doing strategic planning). However, the leader may want to have a special session with the customers and the team prior to the off-site just as he or she did with the speakers addressing the vital few opportunities and threats.



### CAUTION

If the leader invites speakers to the strategic planning session, they may want to remain for the rest of the session and participate in the planning process. Thus, the leader may be introducing variation into the team planning process. Additionally, the time set aside for planning may be “eaten up” by long speeches or by long question-and-answer sessions.



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## ADVICE

The team needs to specify what kind of input or feedback it wants from its customers before inviting their participation. The customer's time is valuable. Also, the customer should not be left with the impression that the team is wasting its own time.

### “How is the strategic planning process different this time?”

Normally, the vision, guiding principles, and mission will not change. The interview process will have allowed the facilitator to validate them or to determine whether changes are needed. Assuming they are still current, the planning team can move directly into updating goals, strategies, and objectives and developing new ones.

On the other hand, if the vision, mission, or guiding principles need updating, time to do the updates should be built into the off-site and the planning team should reach consensus on the changes before they work on the goals, strategies, and objectives.

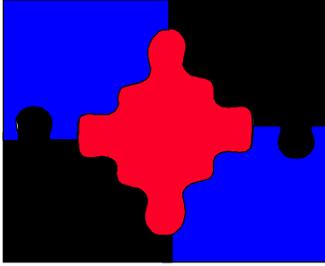
### “How is the process the same?”

The tools that the facilitator uses—interviews, brainstorming, affinity diagrams, the ground rules, consensus decision making, etc.—are exactly the same. The planning team is more mature now and is functioning as a more aligned, purposeful organization. They begin to self-facilitate.

### “So, strategic planning becomes an iterative process?”

Yes. And the planning group becomes independent from the facilitator as members become a cohesive team and become more familiar with the process and the available tools. Each iteration moves the organization closer to its transformation, and that is the purpose of strategic planning.





# Read-Ahead Materials for the Planning Team

## Publications

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Kotter, J. P. (May-June 1990). What leaders really do. *Harvard Business Review*, 68(3) 103-111.

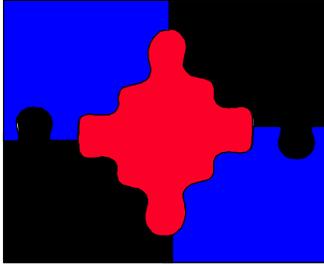
Rummler, G., A., & Brache, A. (January 1991). Managing the white space. *Training*, 18(1), 55-70.

## Other

For the planning organization, its higher echelon vision, mission, and guiding principles.

Current copy, if any, of the planning organization's strategic plan.

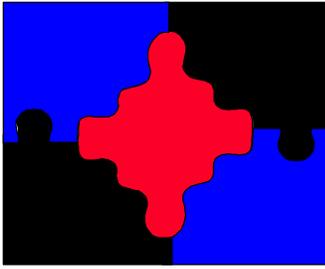




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## About the Authors

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Denise L. Wells is the Director of the Information Resources Division in the Total Quality Leadership Office, Office of the Under Secretary of the Navy. Her primary responsibility includes supporting the Department of the Navy leadership in implementing Total Quality Leadership (TQL). She has extensive experience as a strategic planning facilitator and in-house consultant to senior civilian executives and military leaders in the Navy and the Marine Corps.

Ms. Wells is a native of Pennsylvania who spent most of her life in South Carolina. After graduating from Winthrop College in 1968 with a Bachelor of Arts in English, she began her career with the Air Force, spending almost four years in industrial engineering. In 1972, she retired to become the mother of two children, Dana and Michael.

She re-entered government service in 1978 at Charleston Naval Shipyard, working first in production engineering and later on the staff of the Shipyard Commander. In that position, she managed the first Model Installation Program within a naval shipyard, thereby establishing the prototype for others to follow. Relocating to Washington, DC, in 1987, Ms. Wells spent 18 months at the Naval Sea Systems Command and a year with the Assistant Secretary of the Navy (Shipbuilding and Logistics).

She accepted her current position in the Office of the Under Secretary in May 1990 and received the Superior Civilian Service Award in 1993. She has completed various courses toward a Master of Science in Administrative Science, specializing in Organizational Management.



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Linda M. Doherty received her doctoral degree in quantitative psychology from the University of Southern California. She has taught statistics, measurement, and psychological testing at universities in both Los Angeles and San Diego.

She joined the Navy Personnel Research and Development Center as a research psychologist, directing research efforts in the areas of management, training, productivity, program evaluation, and the design and administration of organizational and customer surveys using microcomputers. Later, she became senior scientist for Total Quality Management/Total Quality Leadership (TQM/TQL), in charge of research and development focusing on quality-based concepts and methods in Department of Navy organizations.

Since June 1990, Linda has served as the Director of the Department of the Navy's Total Quality Leadership (TQL) Office. The TQL Office's role is to assist Navy and Marine Corps leaders in their quality transformation efforts by providing education and consultation. Specifically, the TQL Office (1) manages the technical and conceptual content of the DON TQL curriculum, (2) acts as the Under Secretary of the Navy's agent in sponsoring and supporting TQL activities, including special research efforts, (3) designs, develops, and implements feedback mechanisms to enhance TQL implementation, and (4) provides technical advice on TQL to the Under Secretary and high-level policy groups.